

Workers' Compensation



Broward County
Public Schools

Annual Report 2015-2016





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, in order to obtain optimal outcomes, in both human and financial terms.

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.

WC Program History

The BCPS WC Program is currently self-insured and self-administered. While the District celebrated its centennial in Fiscal Year (FY) 2015-16, the program has been self-insured for several decades and was managed by a Third Party Administrator (TPA) until October of 2013. Under this model, BCPS contracted and outsourced a TPA to manage the WC program using BCPS funds.

In (FY) 2006-07, the WC program made significant changes to the overall program based on the Criteria Based Model (CBM™), which is a comprehensive and global approach to managing claims that features an evidence based, aggressive sports medicine philosophy. 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 yielded remarkable results in all performance measures including, but not limited to, customer satisfaction, annual claims costs, average incurred cost per net claim and lost work days. While the program continued with excellent results over the first few years, it was difficult to sustain due to the divergent interests and misaligned incentives of the industry providers, as well as an unprecedented increase in mergers and acquisitions.

In order to protect BCPS's unique program from the volatile insurance and healthcare industry, the District made the decision to move away from an outsourced TPA model to self-administration, thereby bringing the core decision making staff "in-house" and creating internal capacity to provide services through the establishment of a BCPS Self-Administered WC Unit. This was a bold, but necessary decision to ensure the continuous improvement of the WC program.

The District's 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 to this date, Risk Management Staff and BCPS WC consultants developed the 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 significant accomplishment of year one was providing a smooth transition to the new program with no interruption in medical care or other benefits to injured District employees. In addition, the initial performance measures and leading indicators were very positive, as shown in the Key Performance Indicators (KPI) section of this report.

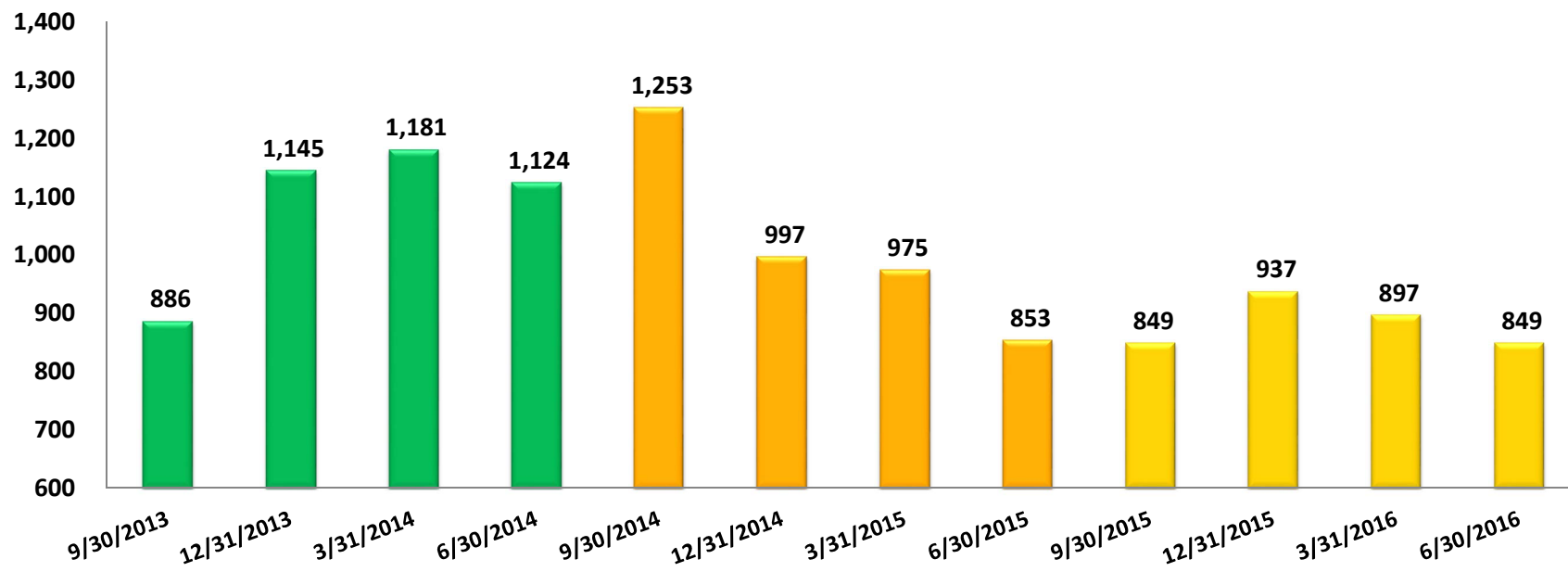
Throughout year one and early into year two, WC leadership identified a significant increase in the daily open claim volume as compared to prior years in the CBM™. Staff focused on the identification of inactive claims through reports and training, as well as a “Legacy Claim Project” which aggressively 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 in the most recent FY 2015-16, where the claim volume was below 1,000 at the end of every quarter.

The implementation of the “Legacy Claim Project” 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 resulted in the closure of 100 legacy claims which reduced the outstanding reserves by \$2.1 million for the selected claim years.

Additional information on the history of the WC program and initial two years in in self-administration can be found in the annual reports for FY 2013-14 and FY 2014-15 located on the website below:

<http://www.broward.k12.fl.us/rmt/WorkersCompensationAnnualReports.html>

Open Claims by Fiscal Quarter



Fiscal Year 2015-2016

FY 2015-16 marked the centennial celebration of Broward County Public Schools. As the District's 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.

In FY 2015-16, the BCPS WC Unit and Risk Management Department significantly increased the collaborative initiative with the District's insurance broker, Arthur J. Gallagher, in order to prevent accidents (employees and students) and reduce WC new claim volume, ultimately leading to reductions in District expenses, both direct and indirect. BCPS WC Unit and Risk Management staff conducted risk assessments at high claim/accident frequency locations throughout the District. The risk assessments include a thorough assessment of major contributing factors to injuries such as slips and falls, overexertion, etc. It also includes a presentation that informs the particular location of their claim volume, costs and top causes concerning workers' compensation claims. As FY 2014-15 was the first year of this loss prevention initiative, there were only six risk assessments completed comprising of 12 locations. However, in FY 2015-16, 30 risk assessments were completed. These 30 assessments consisted of 50 distinct locations, as 20 of the schools have a food service/cafeteria component that is an individual reporting entity. From these 50 locations, there was a reduction of 94 total claims reported, of which 66 were net claims. This reduction in net claims associated with these risk assessments accounted for 30% of the total reduction in net claims in FY 2015-16. Based on these positive results, the District plans to extend this initiative in FY 2016-17, and conduct additional risk assessments.

Although the District has maintained a relatively stable number of employees over the past several years, there was a reduction of 117 (5%) in total new claims reported from FY 2014-2015 to FY 2015-2016. This overall reduction comprised of an increase of 42 (3%) record only (i.e. zero cost) claims and a reduction of 219 (11%) net (i.e. claims with an assigned cost) claims.

Claim Type	Fiscal Year		Difference	
	2014-2015	2015-2016	Actual	Percent
Net	2,078	1,859	-219	-11%
Record Only	1,372	1,414	42	3%
Total	3,450	3,273	-177	-5%

In addition, the onsite risk assessments provided the WC Stay-at-Work/Return-to-Work Specialist an opportunity to reinforce the two primary WC responsibilities of schools and departments: (1) timely reporting and (2) providing temporary accommodations, when necessary to keep employees working within restrictions. This reeducation and reinforcement to principals and administrators has proven to be successful, as evidenced by a significant reduction in lost work days in FY 2015-16.

The District measures lost works days into two absence/payroll categories: WCL (Workers' Compensation Paid Leave) and WCU (Workers' Compensation Unpaid Leave). WCL is illness-in-the-line of duty days paid through the BCPS payroll system. WCU are the days in which indemnity is paid to the injured employee from the WC Unit's claim system, therefore being "Unpaid" in the District's payroll system. Non-instructional employees are entitled up to 10 days of WCL whereas instructional employees are entitled up to 35 days WCL. Once the WCL days are exhausted then the employee receives WCU days if necessary.


For FY 2015-16 there has been a total of 4,187 lost work days (2,776 WCL and 3,495 WCU) as compared to 6,271 lost work days (2,183 WCL and 2004 WCU) for FY 2014-15. This represents a reduction of 2,084 lost work days (593 WCL and 1,491 WCU) from FY 2014-2015 to FY 2015-2016. This significant reduction in loss work days shows the District's commitment to ensuring that injured employees recover from their injury and return to work so they can continue to contribute to the District's success.

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 District's limited resources. The BCPS WC unit has 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 SIU services. 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. Appropriate use of these SIU strategies may contribute in the reduction of claim volume and claims costs for the District.

Absence Type	Fiscal Year		Difference	
	2014-2015	2015-2016	Actual	Percent
<i>WCL (Illness in the Line-of-Duty)</i>	2,776	2,183	-593	-21%
<i>WCU (Indemnity)</i>	3,495	2,004	-1,491	-43%
Total	6,271	4,187	-2,084	-33%

The WC Unit is committed to ensuring that we maintain a high standard of excellence in providing benefits and services to our injured employees. As part of this commitment, we continue to explore and implement methods to receive feedback from injured employees, District administrators, and strategic partners. Historically, the primary measurement of employee satisfaction was a survey mailed to each employee when the accident was reported. A pre-paid postage envelope is included to increase the probability of the survey being returned. Over the last 3 years the WC unit has received an average return of 12% of these surveys. Many of the surveys are completed and returned shortly after the onset of the claim and the level of satisfaction is measured on the triage experience of first few interactions with BCPS WC staff. In FY 2015-16 WC staff developed an online survey, in effort to increase the number of surveys completed, as well as provide an option to distinguish at what point in life of the claim the survey is being completed. One option is when the employee reaches Maximum Medical Improvement (MMI), which is usually near the conclusion of a claim. At that time, the employee will be able to assess the overall treatment and services received over the course of their recovery. It also allows an employee to change their satisfaction rate during the course of the claim.

The survey contains 11 questions and is located at <https://www.surveymonkey.com/r/bcps-wc>. While the online survey was completed in the fourth quarter of FY 2015-16, the initial results will be included in next year's annual report.

 **Broward County Public Schools**
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Workers' Compensation Customer Satisfaction Survey

2 / 11 18%

3. What is your current status

Receiving medical treatment from an authorized WC clinician
Medical treatment completed / Reached Maximum Medical Improvement (MMI)
Other - please specify in the comment box

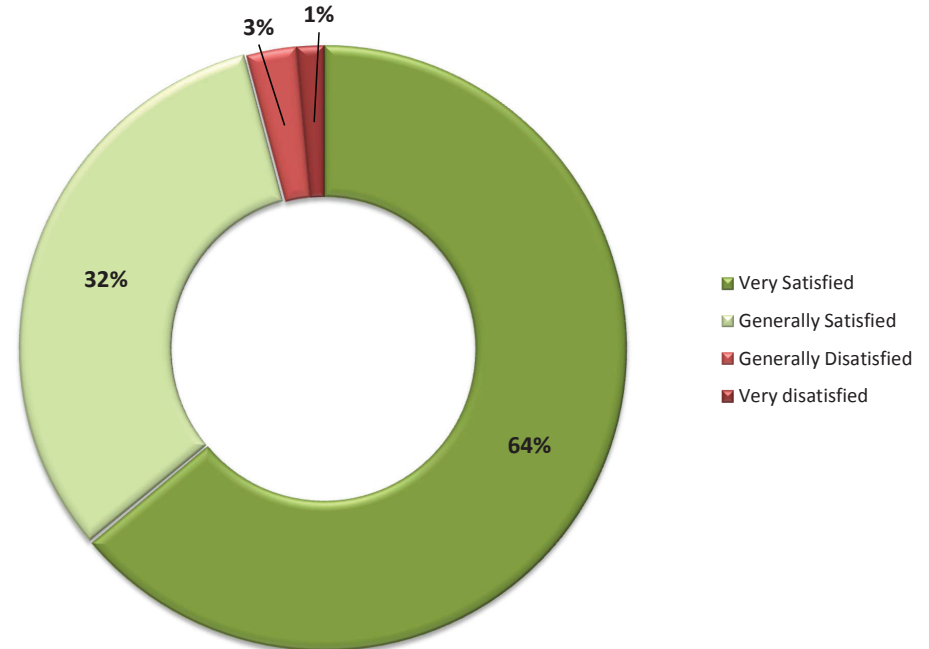
Key Performance Indicators

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 initial evaluations range between 24 to 36 months of development. Although the KPIs show favorable results, the fact that these claims continue to develop should be taken into account when reviewing this section.

Customer Satisfaction

The first and most important KPI is Customer Satisfaction. Customer Satisfaction surveys measure how satisfied injured employees are with the medical care and service the District's WC program provides. If injured employees are unhappy with the way they are treated, there is a higher probability of litigation and unnecessary cost to the District. The District's WC program has maintained a consistent high customer satisfaction rate since the initial transition to the CBM™ in 2006 and has continued in the three years of self-administration. Per the doughnut chart to the right, based on the surveys received, 96% of injured employees were either generally or very satisfied with the service received in FY 2015-16.

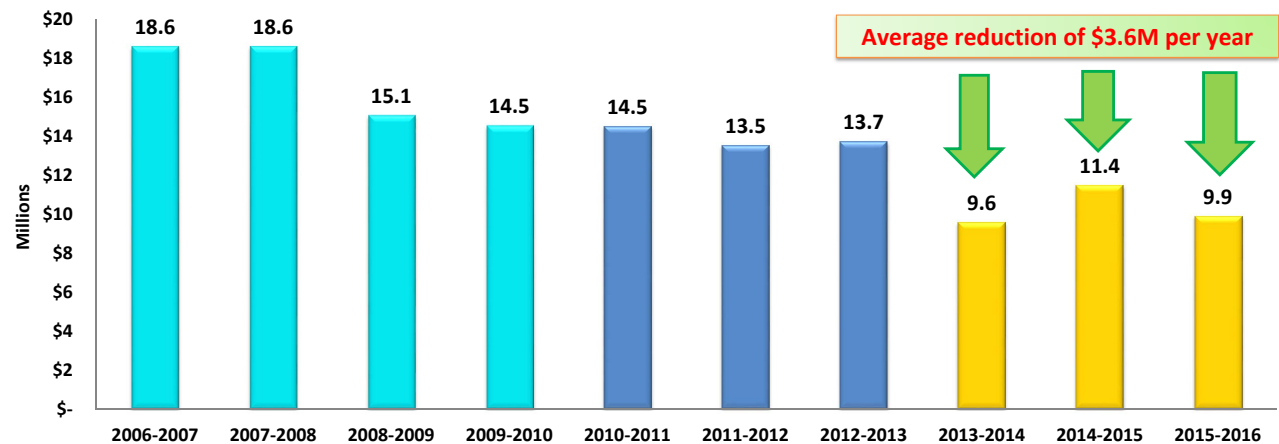
FY 2015-2016
Customer Satisfaction Survey



Claim Costs

Claims costs/expenses are paid out annually from the District's Self-Insurance WC fund. This indicator can be described as the annual liability the WC Program has on the District's financial resources and is often referred to as annual cash flow. This cost includes medical benefits, indemnity benefits, legal payments, and other expenses paid from the District's self-insurance fund. It also includes any reimbursements the District may have recovered from excess carrier coverage or the Special Disability Trust Fund. In FY 2015-16 the claims costs were approximately \$9.9 million which represents a \$1.6 million reduction from FY 2014-15. All four major components of claims costs generated a percentage reduction as follows: Indemnity 38%; Expense 19%; Medical 16%; and Legal 11%. Overall, there has been a reduction of \$3.6 million per year when comparing the three year average in self-administration compared to the three year average prior to the transition.

Workers' Compensation Annual Claims Costs by Fiscal Year



Claim Volume

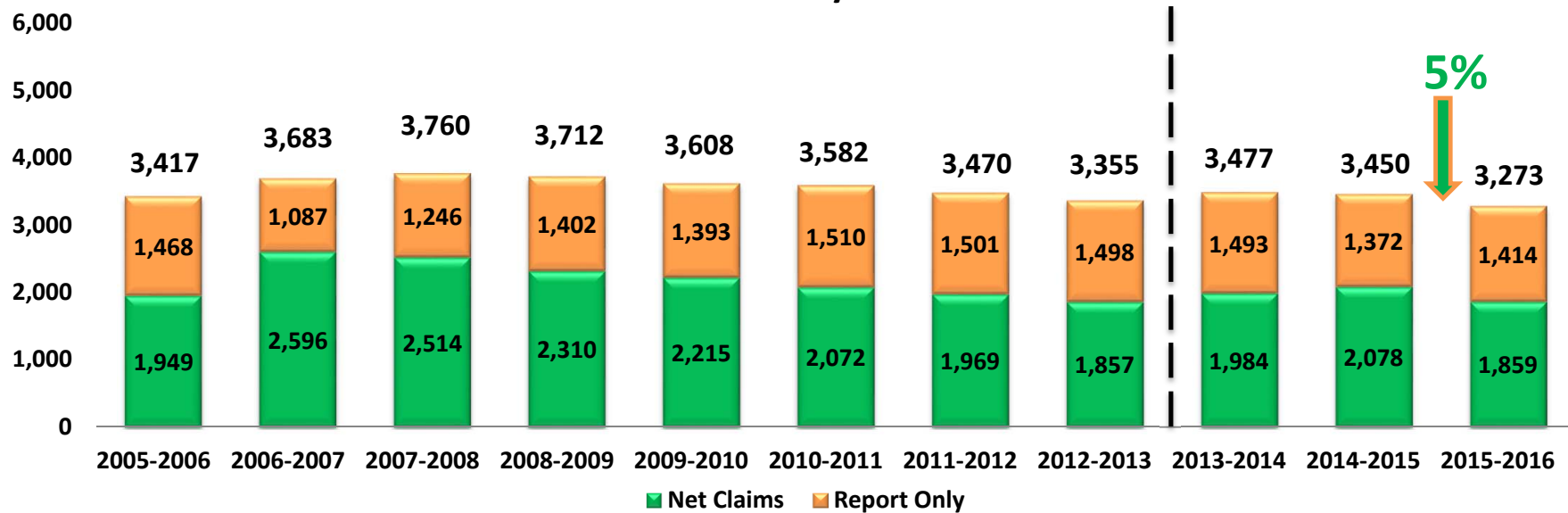
Over the years, the District's incoming claim volume has remained relatively consistent. The claim volume is somewhat dependent on the current number of BCPS employees. As the employment level fluctuates, it could be assumed the incoming claim volume should also fluctuate in the same direction, however, it is not certain. The District has two primary categories of claims: net claims and record only claims. Net claims are claims that an injured employee has received medical treatment on. These claims have a dollar value associated with them and require that reserves be set aside for future financial liability. These claims are received by the triage unit and then assigned to the appropriate adjuster and nurse case manager team for management. Record only claims are claims where the employee chooses not to obtain medical care at the time of reporting the injury and are just entered into the claims system to obtain employee demographics and the description of the accident/injury. However, there is the potential for record only claims transition into net claims if an injured employee reconsiders the need for medical care and receives treatment. There is also the potential for net claims to transition into record only claims

Fiscal Year	Pre - Transition / Full Service TPA			Post - Transition / Self-Administration		
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Claims Costs	\$14,467,490	\$13,501,523	\$13,700,001	\$9,574,973	\$11,448,855	\$9,858,802
Average Cost Per Year	\$13,889,671			\$10,294,210		
Average Reduction Per Year	\$3,595,461					

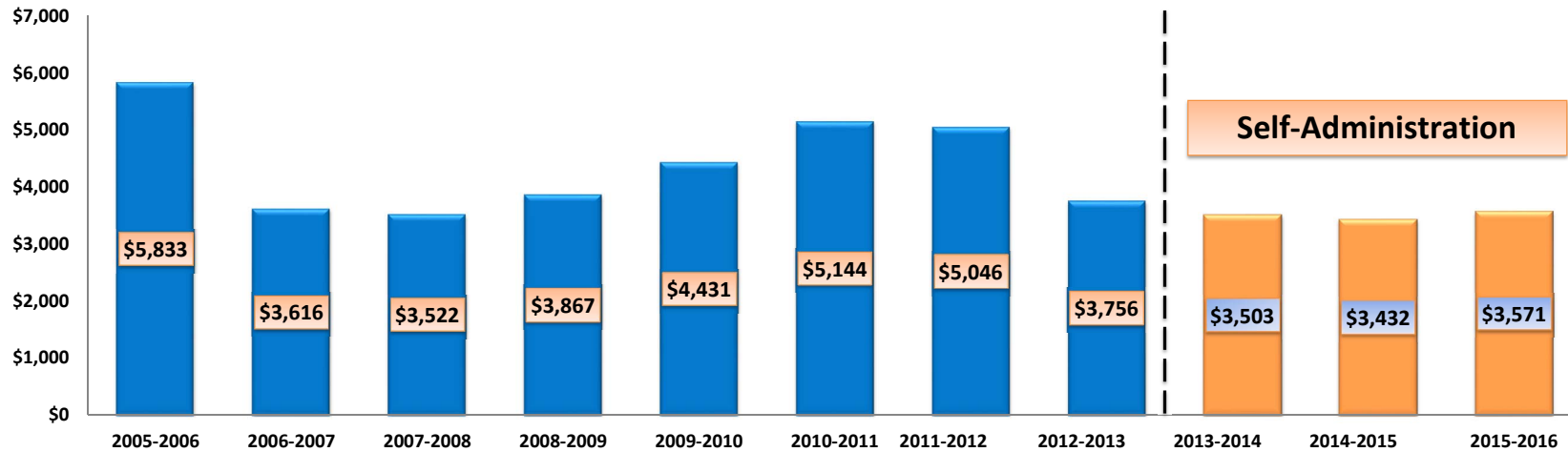
if an injured employee initially thinks they need medical treatment and then decides not to be treated. In addition, there is also the possibility of late reporting where claims are reported after the end of the fiscal year in which the accident occurred. These claims are referred to as Incurred But 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.

Based on the information presented in the graph below, on average there have been 2,128 (60%) net claims and 1,399 (40%) record only claims on an annual basis over the past 11 years. Although the total number of claims has remained fairly consistent with an average of 3,527 claims per year, there has been a significant (11%) decrease in net claims in FY 2015-16. As mentioned earlier in this report, this decrease may be attributed to the loss prevention initiative and the WC Unit's commitment to the management of improper claims which may deter the reporting of future claims for inappropriate or secondary gain.

Claim Volume by Claim Year



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



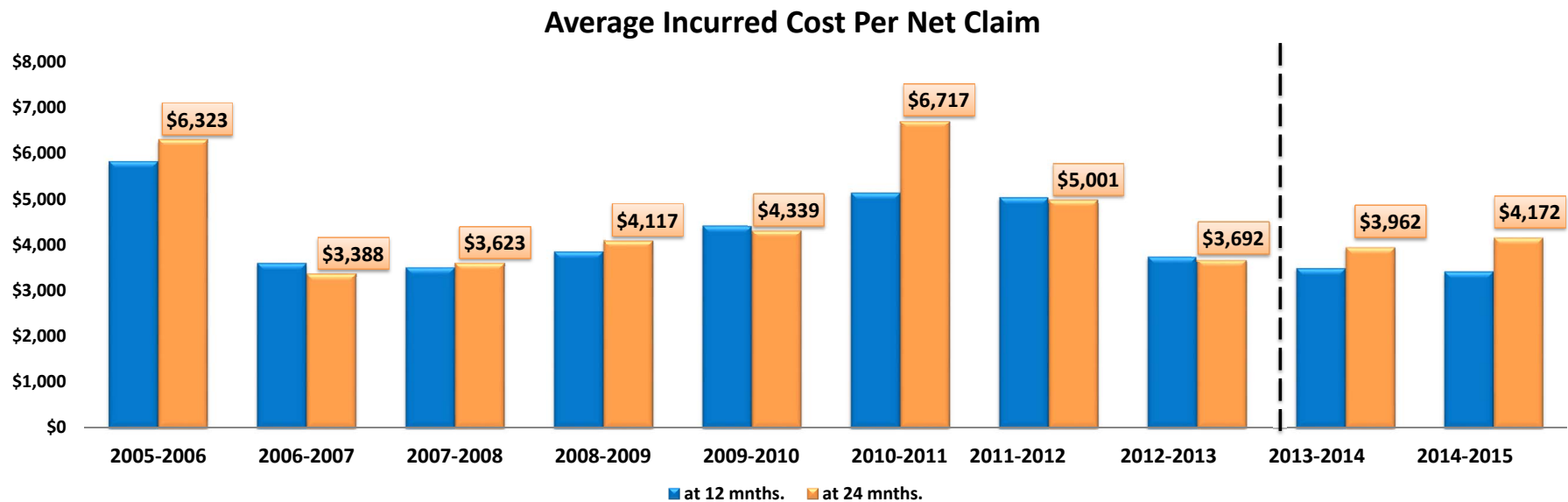
Average Incurred Cost per Net Claim

The total incurred cost for a WC claim is the amount the District 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 the District 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. The District's average incurred cost per net claim over the last 11 claim years at the 12

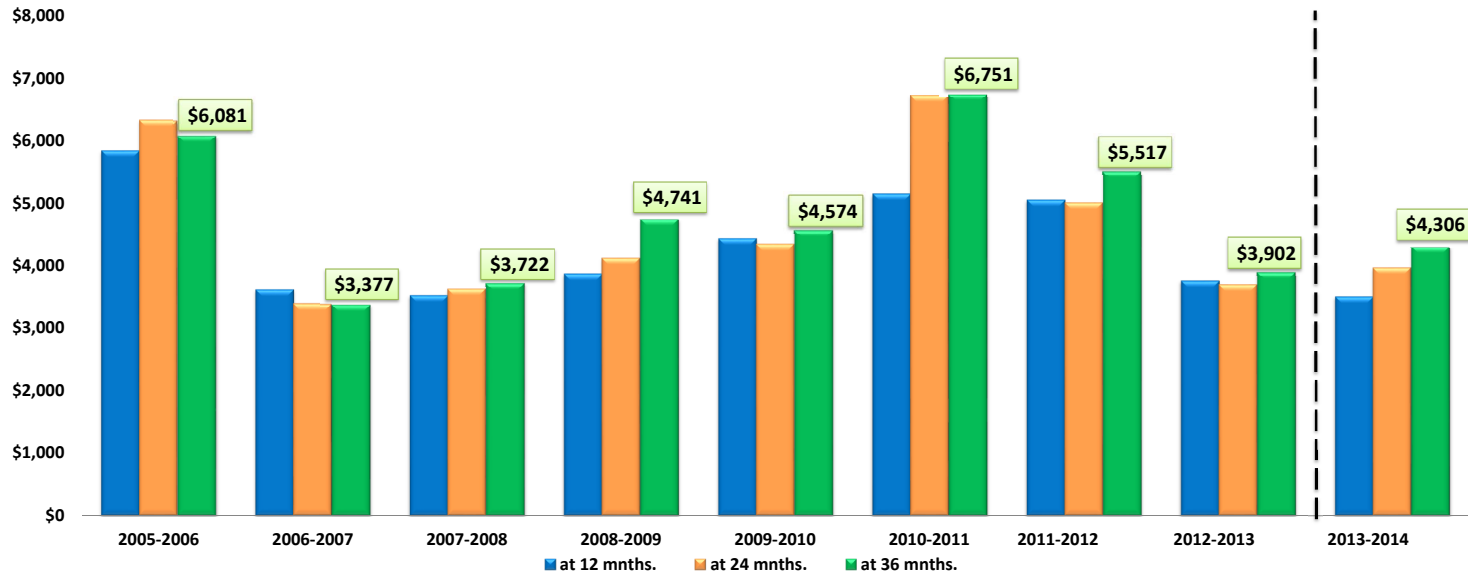
month valuation time period is shown below. This is the most accurate statistic to make an "apples to apples" comparison with respect to claim cost since it uses the net claim count to normalize cost.

While there was a decrease in the Total Incurred of \$555K (8%) from FY 2014-15 to FY 2015-16, there was also a larger percentage decrease in net claims of 219 (11%) which led to 4% increase in the average incurred cost per net claim. In the past 11 years, three out of the four lowest years of this KPI occurred after the transition to self-administration.

Now in the third year of the transition, we are able to evaluate the average incurred cost per net claim at the 24 and 36 month valuation time periods. As can be seen at the 24 month valuation time period the average cost for FY 2014-15 has increased by 5% which is expected as claims develop over time and reserves are adjusted. For the 36 month valuation time period, the average cost for FY 2013-14 has increased by 23% over two years, which is expected as claims develop over time and reserves are adjusted. However, there should not be significant increases in future valuation periods (48 months and beyond), as the aggressive BCPS model emphasizes closing claims timely and reserving accurately under the CBM™.



Average Incurred Cost Per Net Claim



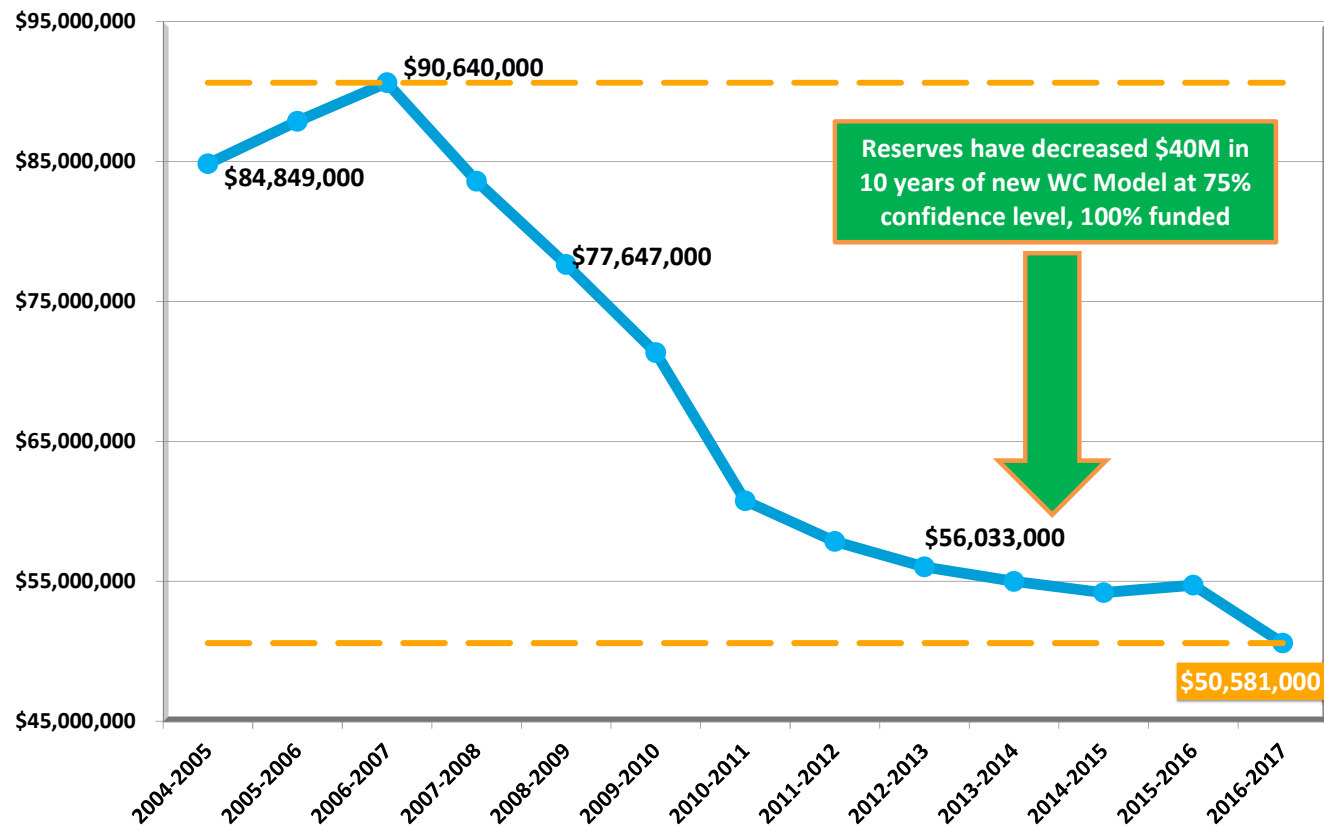
Outstanding Workers' Compensation Claim Liability

Outstanding WC reserves are estimated for outstanding claim liabilities at the end of each FY. This is a requirement of the District to be in compliance with Government Accounting Standards Board Statement Number 10 ("GASB 10"). The District has engaged the services of AMI Risk Consultants, Inc. to perform the Outstanding Workers' Compensation Claim Liability Assessment for its self-insurance WC program. The District supplied payroll, historical loss development information (by accident year and by type of coverage) for incurred and paid losses through May 31, 2016. The calculations of loss reserves are subject to potential errors of estimation because the ultimate liability for claims is subject to the outcome of events yet to occur (e.g., judicial decisions and claimant behavior with respect to settlements). In projecting loss emergence, it was assumed that historical loss development patterns and insurance industry loss development patterns are predictive of future patterns. The uncertainties that ultimate liabilities are subject to cannot be reasonably estimated. Therefore, the assumptions and methods are reasonable in the estimation process but there is no guarantee that actual results will not differ, perhaps substantially, from the estimates.

Up until 2009, the District would set aside reserves with a 75% confidence level and funded 100%. This meant 75% of the time the actual amount paid would be less than the amount estimated and 100% of the estimated reserve was set aside. In 2009, the District adjusted its funding strategy to set aside reserves at a 50% confidence level and 75% funded. Eventually in 2011, in response to the budget situation the District was able to set reserves at a 50% confidence level and 50% funded and remained financially sound to meet the District's liability obligations.

Based on the District's current liabilities and on the confidence (75%) and funding (100%) level adopted prior to 2009 there would have been a \$40 million decrease in WC reserves from 2006 to 2016, as shown in the graph below. This is the most accurate way to measure trends in WC reserves and make any legitimate "apples to apples" comparison. In the three years under self-administration there has been a \$4.4 Million decrease to the Self-Insured Reserve. However, the District's actual reserve based on the current funding (50%) and confidence (50%) level is \$20,814,000, which is the lowest it has ever been historically.

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



Self-Insurance Experience Modification

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.

The experience modification factor is promulgated or calculated by the National Council on Compensation Insurance (NCCI). NCCI produces an Experience Modification Factor Worksheet which is sent to the organization. Actual losses are compared to expected losses to determine the experience rating modification factor that will be included in the premium calculation. 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 District's Experience Modification Factor for FY 2016-17 is 1.16 which is relatively low compared to prior years since the transition to the CBM™ in 2006.

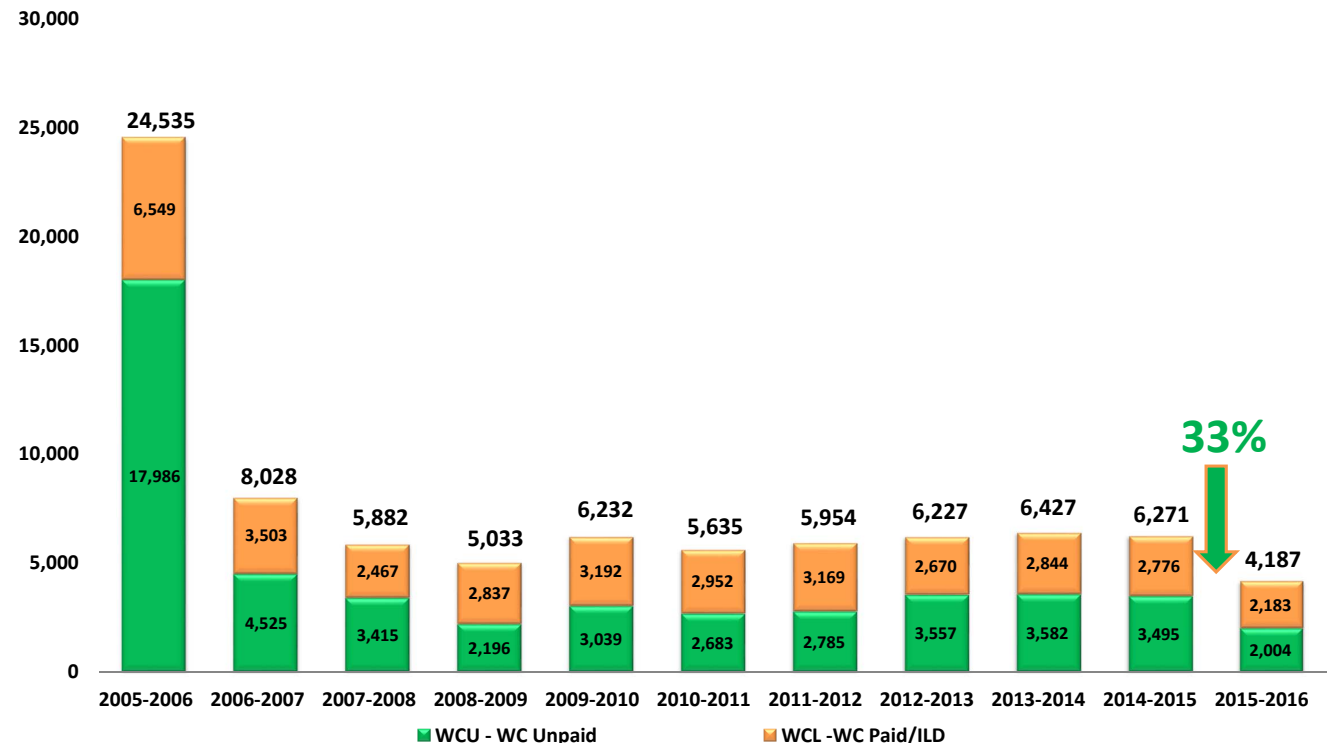
Fiscal year	Experience Modification
2006-2007	2.33
2007-2008	1.99
2008-2009	1.76
2009-2010	1.39
2010-2011	1.21
2011-2012	1.31
2012-2013	1.27
2013-2014	1.25
2014-2015	1.43
2015-2016	1.14
2016-2017	1.16

Total Lost Work Days

The District measures the total lost work days due to WC in each fiscal year. Injured employees may miss work 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; (3) to attend a medical visit (md visit, physical therapy, diagnostic test, etc.). This KPI is indirectly linked to the overall financial liability of the District and is an indicator of the rate at which employees are returning to work. It also is an indicator of how effective the District's Stay at Work/Return to Work (SAW/RTW) program is performing. The lower this measure is, the greater staff attendance is in order to operate consistently and effectively to achieve all of the District's goals, most importantly 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 year can skew this metric.

As mentioned earlier, the District has two categories 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 days and WCU are the days in which indemnity is paid to the injured employee. Since the inception of the CBM™ model in 2006, there has been a drastic reduction in total lost work days as can be shown from the graph. FY 2015-16 had the lowest total lost work days in the past 11 years. These results show the District's commitment to returning employees to work by providing them the "best-in-class" medical care and being able to work with supervisors to accommodate employees who may have had temporary restrictions while recovering from their injury. As mention earlier the total lost work days for FY 2015-16 was 4,187 total work days comprising of 2,183 ILD days and 2,004 indemnity days. This represents a 33% reduction in total lost work days as compared to the previous year and can be seen from the graph.

Total Lost Work Days

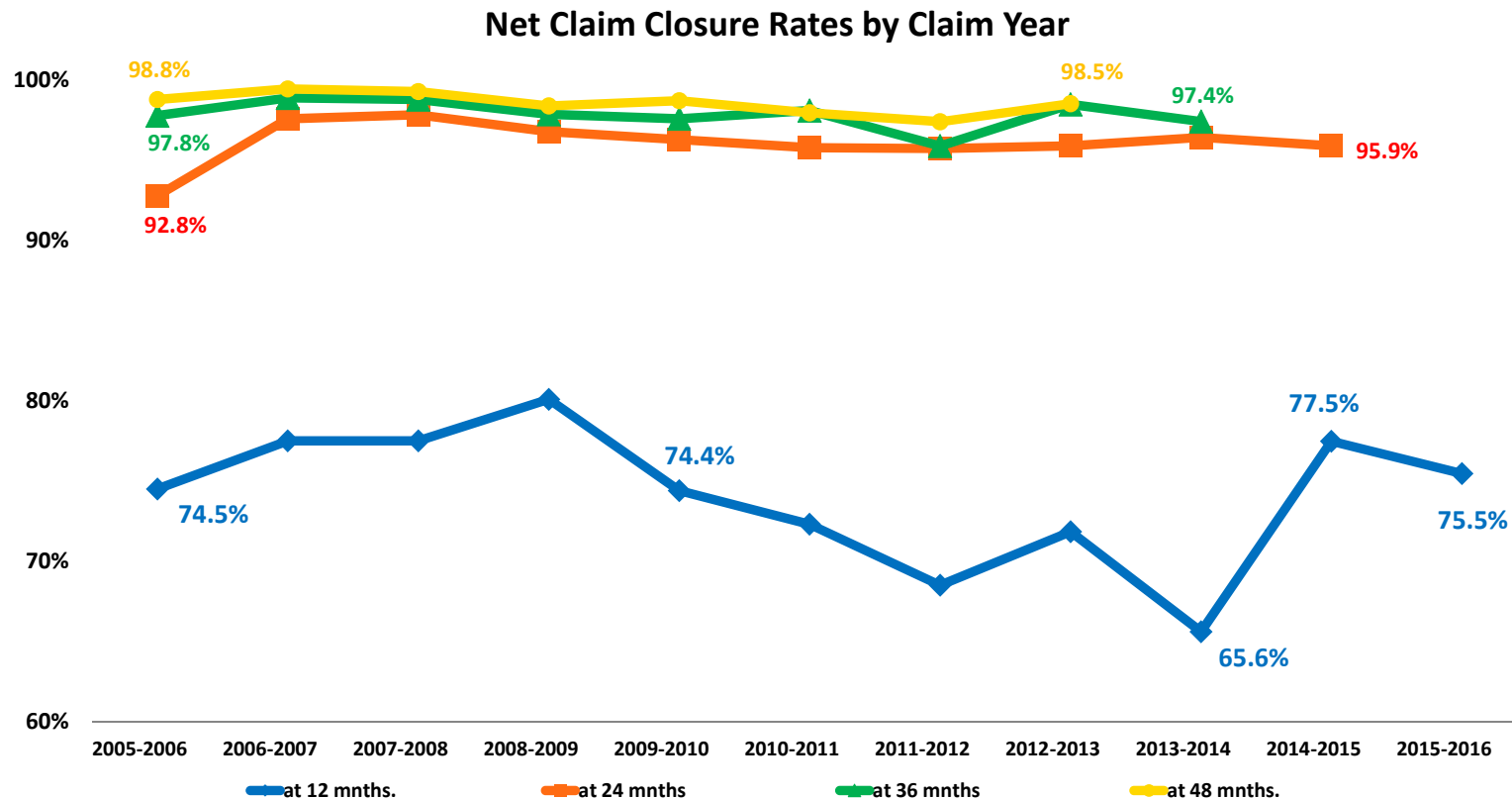


Closure Rates

The District measures the number of claims closed in each fiscal year. Closing claims reduces the overall financial liability of the District and is an indicator of the rate at which injuries are being resolved. It also is an indicator of how quickly the injured employees are receiving medical care, because the quicker the injured employee receives medical the more likely they are to return to work sooner and the less costly the claim would be for the District.

The graph displays the District's net claim closure rates by valuation up to 48 months over the last eleven fiscal years. The net claim closure rate is relatively consistent for each valuation time period, averaging 74.1 % at 12 months with a significant increase averaging 96.1% at 24 months and almost plateauing at 48 months with an average closure rate of 98.6%. This would suggest that at the 48 month milestone of any fiscal year there should be little or no development in the total incurred cost associated with that fiscal year and that the ultimate cost of each fiscal year

would be more robustly predictable. However, usually the claims that remain open past 48 months tend to have a high total incurred, as claims rarely get better with time. 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 the District. For FY 2015-16 the closure rate has been 75.5% which is above the average rate of 74.1%.

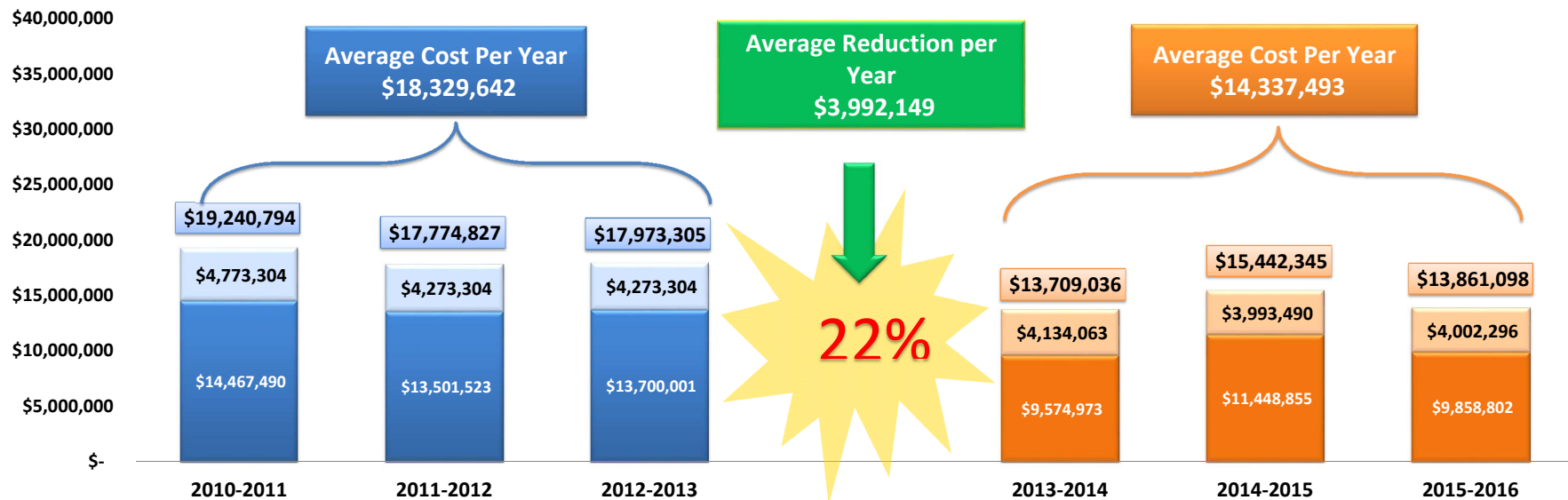


Overall WC Program Cost

Fiscal year	Pre - Transition / Full Service TPA			Post - Transition / Self-Administration		
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
TPA Fees	\$ 4,500,000	\$ 4,000,000	\$ 4,000,000	\$ 2,350,000	\$ 1,800,000	\$ 1,800,000
WC Staff (Salary and Benefits)	\$ 273,304	\$ 273,304	\$ 273,304	\$ 1,784,063	\$ 2,193,490	\$ 2,202,296
Total Administrative Costs	\$ 4,773,304	\$ 4,273,304	\$ 4,273,304	\$ 4,134,063	\$ 3,993,490	\$ 4,002,296
Claims Costs	\$ 14,467,490	\$ 13,501,523	\$ 13,700,001	\$ 9,574,973	\$ 11,448,855	\$ 9,858,802
Total WC Costs	\$ 19,240,794	\$ 17,774,827	\$ 17,973,305	\$ 13,709,036	\$ 15,442,345	\$ 13,861,098
Average Cost Per Year	\$18,329,642			\$14,337,493		

AVERAGE REDUCTION PER YEAR \$3,992,149

The overall financial impact of the District's Self-Insured, Self- Administered WC Program for FY 2015-16 was \$13,861,098 as shown in the table above. This is a reduction of \$1.6 million from FY 2014-15. Additionally, there is an annual reduction of \$4 million per year when comparing the first three years in self-administration to the pre-transition three year average. This reduction along with the early performance measures and satisfaction rating strongly supports the decision to self-administer the BCPS WC program.



Looking Ahead

Internal Improvements

As the initial contract for ancillary services was terminating as of June 30, 2016, WC leadership recognized the need to maintain the consistency of some ancillary services (claims system, medical bill review, bill payment) provided by one of our strategic partners, CompServices, Inc. (CSI). As a valued strategic partner for ten years, Comp Options Insurance Company/AmTrust North America, agreed to withdraw as an intermediary partner, which enabled BCPS to directly contract with CSI, who was a subcontractor in the prior contract. In May, The School Board approved a new contract with CSI for a three year period beginning July 1, 2016. WC staff was able to negotiate a reduction in service fees of \$160,000 per year. This reduction will save the District almost \$500K in the next three years.

While FY 2015-16 marked a reduction in incoming claims, individual caseloads of claims adjusters and nurse case managers remained high, as not only were they receiving new claims, they were responsible for the management of several legacy claims (open prior to the transition to self-administration in FY 2013-14) per team. In order to lessen some of the caseloads and increase performance, an eighth claims adjuster/nurse case manager team was created in the organizational structure of the WC unit. This was cost neutral to the District, as two other positions (one WC Stay-at-Work/Return-to-Work Specialist and the WC Manager of Operations Support) were reclassified in the District's organizational chart to meet the staffing needs of the WC unit. There are also plans in FY 2016-17 to cross train operations staff to redistribute some functions/responsibilities in order to improve productivity and coverage, while eliminating the redundancy of performing a single function throughout the day.

External Considerations

Since the District reformed its WC program in 2006, there has not been any significant increases in Florida WC rates. However, effective December 1, 2016, the Florida Office of Insurance Regulation (OIR) has approved a 14.5 percent increase in workers' compensation rates. This approved rate increase means that there is expected to be an increase in WC costs to the District and other employers throughout Florida. This increase is primarily based on Two Supreme Court rulings (Castellanos v. Next Door Company and Westphal v. City of St. Petersburg) and an increase in the Florida WC Health Care Provider Reimbursement Manual. The Florida Supreme Court decision of Castellanos v. Next Door Company eliminated the statutory caps on claimant attorney fees and a reestablished hourly fees. This ruling not only effects the financial impact of future injuries/claims that will be reported, but current open District WC claims, or claims that have closed but have the possibility of being reopened within the statute of limitations. The OIR stated there could be another substantial increase in the near future if there continues to be increased litigation, as has been seen since the Castellanos ruling, and often has the effect of extending claim durations and delaying return-to-work. WC leadership has proactively met with the District's WC defense attorneys to prepare and strategize for the effects of these rulings in order to mitigate increases in overall claim costs. WC leadership has also evaluated the relevant increases in the Florida WC Health Care Provider Reimbursement Manual to assure the District's WC program continues to provide the highest quality medical care to injured employees in a timely fashion.



The School Board of Broward County, Florida



Top Row: (L to R) Donna P. Korn, Nora Rupert, Ann Murray, Robin Bartleman, Laurie Rich Levinson, Patricia Good, Heather P. Brinkworth

Front Row: (L to R) Dr. Rosalind Osgood (Chair), Robert W. Runcie (Superintendent of Schools), Abby M. Freedman (Vice Chair)

For Questions or Comments
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