



AUDIT REPORT



DATE November 19, 2020

NO. 2020-006

**RISK MANAGEMENT DIVISION
WORKERS' COMPENSATION PROGRAM**

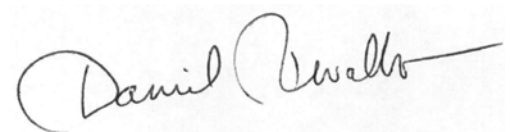
INTERNAL AUDIT DIVISION
ROGER D. EATON
CLERK OF THE CIRCUIT COURT AND COUNTY COMPTROLLER
CHARLOTTE COUNTY FLORIDA

Honorable Roger D. Eaton
Charlotte County Clerk of the Circuit Court and Comptroller
350 East Marion Avenue
Punta Gorda, Florida 33950

We have completed an audit of the Charlotte County Risk Management Division Workers' Compensation Program. The purpose of this audit was to verify that adequate controls exist and are operating effectively.

The report details the current control environment and includes our comments and recommendations. Management responses have been included and immediately follow the audit report.

Respectfully submitted,

A handwritten signature in black ink that reads "Daniel Revallo". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Daniel Revallo
Internal Audit Director

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EXECUTIVE SUMMARY

Internal Audit has completed the review of **Charlotte County (County) Workers' Compensation** program. Our review included certain functions of **Preferred Government Claim Solutions (PGCS), the County's Third Party Administrator (TPA)**. Our review determined the following:

1. Charlotte County is self-insured as defined by Chapter 440 Florida Statutes including Department of Financial Services Division or Workers' Compensation specifically Rules for Self-Insurers under the Workers' Compensation Act 69L-5, as presented in the Florida Administrative Code (FAC).
2. Human Resources Policy 3.24 states Charlotte County's Drug Free Workplace Policy fully complies with federal and state law including the Drug-free workplace program requirements in Section 44.102 of the Florida Statutes and rules governing Drug-free workplace laboratories found in Florida Administrative Code Chapter (59A-24).
3. The Charlotte County Risk Management Division has a Claims Procedure Manual which covers reporting, investigation, and how to respond to claimant inquiries.

Based upon the findings of our review, we offer a summary of recommendations. These recommendations are discussed in detail later in this report:

1. **We recommend** the County increase controls over the TPA, including a detailed scope of services and specific performance measures to evaluate the TPA's compliance with its contract.
2. **We recommend** the County ensure benefit and medical payments can be verified to ensure repricing and payments are performed according to fee schedules and contracted rates.
3. **We recommend** the Risk Management Division include a "Right to Audit" clause in the contract for Workers' Compensation Program services.
4. **We recommend** the County review payments made by the TPA to ensure they are appropriate.
5. **We recommend** the County seek competitive solicitation for its Workers' Compensation Program services upon expiration of current contract.
6. **We recommend** the Risk Management Division update Standard Operating Procedures for Random Drug Testing, Workers' Compensation Claims, and others if appropriate.
7. **We recommend** the Risk Management Division increase controls to verify the adjuster handling the claim places copies of documentation mailed or provided to employees in the file to support compliance with documentation requirements.
8. **We recommend** the County ensure that practices align with Charlotte County Policy 3.24 by requiring that all employees involved in a job-related accident that results in medical attention beyond basic first aid or property damage are automatically subjected to substance abuse testing, regardless whether they were non-emergency injuries or injuries requiring emergency transport.
9. **We recommend** Risk Management increase controls to ensure that forms are consistently completed in the manner and time required.

BACKGROUND

The Florida Workers' Compensation program pays medical and disability benefits when an injury or illness arises out of and in the course of employment. Chapter 440 of the Florida Statutes and Chapter 69L of the Florida Administrative Code govern the rules and regulations relating to this. Chapter 440, Florida Statutes, establishes Workers' Compensation Law with the intent "to assure the quick and efficient delivery of disability and medical payments to an injured worker and to facilitate the worker's return to gainful reemployment at a reasonable cost to the employer" (Section 440.015, Florida Statutes). The state's Division of Workers' Compensation administers and oversees Workers' Compensation across Florida, and may perform audits of employer programs to determine compliance, pursuant to Sections 440.525 and 440.20 (15) (a), Florida Statutes.

Under Florida Workers' Compensation Law, employees are eligible for temporary total disability benefits if time is required to recover from work-related injury or illness. Benefits are not paid for the first 7 days, unless the injury keeps the employee from working for more than 21 days. Temporary total disability benefits are two-thirds of average weekly wage just before the injury, up to a legal maximum that is adjusted annually. For injuries in 2019, the maximum is \$939 per week. A summary of wage benefits follows.

Florida Workers' Compensation Wages Benefits

| Injury Status | Definition | Benefit Calculation | Amount / Duration from Date of Injury |
|---|--|---|---|
| Temporary Total Disability | Employee is unable to work for a temporary time period. | Two-thirds (66 2/3 or 66.67) of the employee's average weekly wage. | Minimum of \$20 and maximum of \$939 per week for up to 104 weeks. Compensation is subject to Social Security and Unemployment Insurance offsets. |
| Temporary Partial Disability | Employee is partially able to work for a temporary time period | 80% of the difference between 80% of the employee's average weekly wage and post injury wages, not to exceed two-thirds 66 2/3 or 66.67% of employee's average weekly wage. | Benefits may not exceed an amount equal to 66 2/3 or 66.67 percent of the employee's average weekly wage at the time of accident for up to 104 weeks. |
| Permanent Total Disability | Employee is not able to work for a permanent time period | Two-thirds (66 2/3 or 66.67)% of employee's average weekly wages for the specified number of weeks - maximum of \$939 weekly. Benefits cease when employee reaches age 75. | Not applicable. |
| Death Benefits (payable to eligible dependents) | Death resulting from injury | Two-thirds (66 2/3 or 66.67) of the deceased employee's average weekly wage and \$7,500 funeral costs | Maximum of two-thirds (66 2/3 or 66.67) of the deceased employee's average weekly wage, up to \$150,000 or age 65 of spouse |

The Risk Management Division (RMD), within the Budget/Fiscal and Administrative Services Department, administers Charlotte County Workers' Compensation program through Preferred Government Claim Solutions (PGCS), the County's TPA. Charlotte County is self-insured for worker's compensation costs and the program is accounted for as a cost center in fund 5001, Self-Insurance

Fund. In addition, the County purchases excess workers' compensation insurance to protect itself from claims in excess of certain annually established thresholds, an amount which is currently set at \$300,000 per occurrence.

A summary of Self-Insurance Fund revenues and expenses for 5+ years follows. This information was taken from the Comprehensive Annual Financial Report for the applicable year. Fund and Department numbers are included.

Financial Analysis: Revenues and Expenses

5001 Self-Insurance Fund (FYE 9/30/XX)

191009 Risk Management-Workers Compensation (Source: Eden Financial System)

| | FY 2015 | FY 2016 | FY 2017 | 2018 | 2019 * |
|-----------------------|----------------|----------------|----------------|-------------|---------------|
| Total Revenues | \$3,895,458 | \$4,776,626 | \$2,420,873 | \$2,820,058 | \$2,414,254 |
| Total Expenses | \$3,097,762 | \$3,984,810 | \$1,967,810 | \$629,197 | \$1,432,436 |

*Through July 31, 2019

The County's Claim Procedures Manual requires employees report all job-related injury or illness to their supervisor within 24 hours of the accident. Employees are required to complete the "Medical Election" and the "Sick/Vacation" Leave forms. These forms provide employees with the option to authorize the use of their accumulated sick and/or annual leave to receive, together with workers' compensation benefits, a wage equivalent to their normally scheduled hours at their straight-time rate of pay. Supervisors/Departments are required to complete and submit to Risk Management the "Notice of Injury" and "Supervisors Investigation" forms. If the employee requires medical care, he/she is sent to the Bob Pryor Employee Health Center for non-emergency treatment. If an incident occurs during the times the employee center is closed, employees are sent to other non-emergency treatment facilities for treatment.

Doctors treat patients and submit forms back to the TPA and the County describing their medical findings and recommendations for ongoing care or physical restrictions, if needed. If necessary, specialized physicians may be identified or additional tests may be ordered. Many employees quickly return to work, others may need additional treatment or time to recover, while others are released by the attending physician to return to work on a restricted or light duty basis. For the latter, the County has a process in place to provide alternate work by locating a suitable position for the injured employee within the employee's home department, and if not possible, by locating alternate temporary duty in another County department.

After seeing an injured worker, doctors submit their bill to the TPA. The TPA uses the services of Amerisys to review the charges and to ensure that amounts invoiced are within state maximums or agreed-upon contracted rates. Bills reviewed by Amerisys are forwarded back to the TPA for payment. Payments are made by the TPA using a County owned and funded checking account at Bank of America.

The TPA sends the Risk Management Division and the Clerk of Court a copy of the check/payment register for payments made the preceding week. Each week the Comptroller's Office of the Clerk of Court transfers the necessary funds to replenish the bank account and performs a reconciliation of the account on a monthly basis upon receiving bank statements from Bank of America.

AUDIT OBJECTIVES

1. Assess the County's system of internal control over workers' compensation processing and determine its effectiveness and adequacy.
2. Identify the number, types, and costs of workers' compensation claims and analyze trends.
3. Determine whether workers' compensation benefits to employees and payments of medical invoices, and program administration activities are appropriate and properly documented.
4. Determine compliance of the workers' compensation program with applicable laws, formal policies and procedures, and other requirements.
5. Determine County's oversight over TPA.

AUDIT SCOPE AND METHODOLOGY

The scope of our review and examination included the evaluation of the applicable state law, policies, procedures, systems, and controls related to the administration of the workers' compensation program. It covered activities related to the program in the Risk Management Division, the Clerk Comptroller's Office, and the TPA during the audit period October 1, 2014 through July 31, 2019. We also reviewed the Charlotte County Administrative Code for policies and procedures related to the workers' compensation program.

We reviewed financial documentation provided by the Fiscal Division, accounting and payroll information posted to the Clerk's financial software EDEN, the County's contract with the TPA to understand performance requirements and researched best practices for claim administration and risk management.

We interviewed personnel involved in the workers' compensation program in the County's Risk Management and Fiscal Divisions. We used original records and copies as evidence and verified through physical examination and observation. Detail of our sample selection methodology is located in comments 7 and 9.

SCOPE LIMITATION

The TPA (Preferred Government Claim Solutions) did not provide sufficient documentation to ensure benefits to employees and program administration activities were in accordance with applicable laws, policies and procedures.

We initially requested TPA documentation needed to support recalculation of benefits and medical bills paid with 130 sampled checks out of the 4,905 issued in the audit period. The TPA provided general documentation for the sample, but it was not sufficient to recalculate the benefits.

To facilitate the TPA's work in gathering the documentation, we reduced the request to 16 items and re-requested providers' supporting documentation that would allow us to arrive at the same amounts repriced by the TPA. Despite several requests by both the Clerk's Internal Audit Division and the County's Risk Management Division, the TPA was non-responsive and the documentation was never provided. **As a result, we were unable to determine that benefits and medical bills were paid according to Florida Workers' Compensation Health Care Provider Reimbursement Manuals (Rule 69L-7.020) or contracted rates.** See Audit Results #1, #2, and #3 for more detail.

COMMENTS AND RECOMMENDATIONS

1. **The Risk Management Division does not have the ability to review the TPA's underlying documentation to evaluate its performance and compliance with the contract's scope of service.**

The scope of services included in "Part II - Scope of Services" of the Request for Proposal do not address how the County verifies the TPA's execution of its claim management and administration services. The contract lacks specific measures to assess the TPA's performance against the scope of services and related remedies in the event PGCS does not satisfactorily complete the agreed upon services.

The contract with the TPA should outline the duties, obligations, and responsibilities of the TPA and define performance measures and goals with enough detail for the County to ensure accountability. Performance measures are used to indicate operation effectiveness. Measuring performance is key for achieving results and best practice indicates there are several ways to measure the success of a self-insured Workers' Compensation Program. This could include analyzing closing ratios. Without having performance measures in place, Risk Management is unable to effectively assess the TPA's performance and accurately determine whether the program is operating efficiently.

The Risk Management Division told Internal Audit that a review of claims is performed by the Division, but neither the contract and/or policies define that reviews will be conducted and how they will be conducted. Further, the Risk Management Division did not make available documentation indicating that the reviews have been performed. The County is ultimately responsible for the administration of the workers' compensation program and the use of a TPA does not diminish its responsibility for administering the program. Therefore, the County should exercise continual oversight to ensure compliance with the contract by the TPA. The contract should outline the administrator's duties, obligations, and responsibilities with enough detail for the County to ensure accountability and measure the TPA's performance.

We recommend the County increase controls over the TPA, including a detailed scope of services and specific performance measures to evaluate the TPA's compliance with its contract.

2. **Accuracy of payments to service providers could not be verified.**

Documentation needed to verify accuracy of medical charges in accordance with approved contract rates and fee schedules was not provided by the TPA.

The Internal Audit and Risk Management Divisions could not verify that the TPA pays benefits and medical costs in accordance with approved contract rates or fee schedules. **Amerisys, the vendor used by the TPA to perform bill review**, will adjust/reprice provided invoiced amounts/rates correctly. One of the audit objectives was to verify that medical bills (pharmacy, doctors, and hospital charges) are paid according to fee schedules or contracted rates and we requested documentation from the TPA. Despite several requests by both the Clerk's Internal Audit Division and the County's Risk Management Division, the documentation was never provided.

We recommend the County ensure benefit and medical payments can be verified to ensure repricing and payments are performed according to fee schedules and contracted rates.

3. There is no "Right to Audit" clause included in contract documents.

There is no Right to Audit clause included in the Request for Proposal/contract documents that would allow the County to request, or Clerk's Office to audit, contractor's records. This clause would provide some transparency and assurance to the purchaser that the TPA is performing the contracted services according to the agreement.

While TPAs can provide cost and time savings benefits, they also create different forms of risk for the County, with the biggest risk being fraud. One of the best ways to combat fraud risk is to ensure that formal outsourced agreements contain a Right to Audit clause allowing periodic reviews to help mitigate the risk. With a right to audit clause, the **TPA's non-responsiveness to our requests for support** (noted in our scope limitation, result #1, and result #2) would result in a violation of the agreement.

We recommend the Risk Management Division include a "Right to Audit" clause in the contract negotiations for Workers' Compensation Program services.

4. PGCS (TPA) paid penalties and interest that were its responsibility out of County funds.

We determined the TPA improperly paid out \$3,952.33 in penalties and interest during the audit period that had not been reimbursed prior to this audit fieldwork. This reimbursement check was received on March 18, 2020.

We recommend the County review payments made by the TPA to ensure they are appropriate.

5. The contract with the TPA has been renewed for several consecutive years without going through the competitive procurement process.

The contract with the TPA administrator has been renewed for several consecutive years without going through the competitive procurement process as outlined in the County's Purchasing Manual and according to Section 287.012(4), Florida Statutes and The Consultants' Competitive Negotiation Act (CCNA).

The Contracts and Contract Administration section of the Charlotte County 2019 Purchasing Manual addresses the renewal of contracts as follows:

"H. Contract Renewal: Direction for the renewal of a contract for commodities or services shall be in writing by the Contract Manager to the Senior Division Manager - Purchasing and shall be subject to the terms and conditions set forth in the initial contract. The cost and terms of any contemplated renewals shall be included in the Request for Bids or Request for Proposals (RFP). Renewals are to be done on a yearly basis, and any such contracts may be renewed up to three consecutive one-year terms unless competitively procured or otherwise specified by the Board of County Commissioners. Renewals shall be contingent upon satisfactory performance evaluations by the contract manager. "

According to Section 287.057(13), Florida Statutes, "Contracts for commodities or contractual services may be renewed for a period that may not exceed 3 years or the term of the original contract, whichever is longer..."

Since the Request for Proposal went out and the present contract was awarded in August 2013, the County has annually renewed the contract for Comprehensive Self-Insurance Program TPA services

for more than the three consecutive one-year terms, which goes against County Policy and Florida Statutes.

We recommend the County seek competitive solicitation for its Workers' Compensation Program upon expiration of current contract.

6. The Risk Management Division has not updated Standard Operating Procedures for Random Drug Testing and Workers' Compensation Claims since 2013.

We found that the Risk Management Division has not updated written procedures for Random Drug Testing and Workers' Compensation Claims since 2013.

Without updating Standard Operating Procedures (SOPs), some procedures may be outdated, may no longer apply in the current environment, or may not mirror current practices. Errors are more likely to occur, and potentially there could be mixed interpretation of requirements and increased risk that employee turnover could lead to the loss of institutional knowledge.

We recommend the Risk Management Division update Standard Operating Procedures for Random Drug Testing, Workers' Compensation Claims, and others if appropriate.

7. Internal Audit identified inconsistencies with claims compensation, reporting and recordkeeping.

There were 603 Workers' Compensation claims for the audit period of October 1, 2014 through July 31, 2019. Internal Audit used attribute sampling for selecting claims to verify for compliance with the applicable Statute sections. We first filtered out employees who received workers' compensation benefits, or indemnity payments (codes "COMPPTP and COMPPTD") and arrived at 61 employees. From this population of 61, we judgmentally selected 37 workers' compensation claims to verify compliance with our audit objectives. The 37 claims were made up of 22 workers who have been out more than 21 days and 15 workers who have been out less than 21 days. Total claim amounts varied from \$132.33 to \$58,546.33, with an average claim amount of \$4,800.79.

For 4 claims, we were unable to verify the documentation requirements a. and b. below, as PDF file copies with supporting documentation were not provided. PDF file copies with supporting documentation were provided for the remainder of the claims in the scope.

- a. "Within 3 days after the employer or the employee informs the carrier of an injury the carrier shall mail to the injured worker an informational brochure ... under the Florida Workers' Compensation Law."
- b. "Upon Receiving notice of an injury from an employee under subsection (1), the employer or carrier shall provide the employee with a written notice, ..., of the availability of services from the Employee Assistance and Ombudsman Office..."

We recommend the Risk Management Division increase controls to verify the adjuster handling the claim places copies of documentation mailed or provided to employees in the file to support compliance with documentation requirements.

8. Post injury/accident drug testing is not being performed with emergency transport as required by County policy.

Human Resources Policy 3.24 states Charlotte County's Drug Free Workplace Policy fully complies with federal and state law including the Drug-free workplace program requirements. However, we found that Post injury/accident drug testing is not consistently performed as required by Charlotte County 3.24 Drug-Free Workplace Policy. The policy states in part: "Post-Injury/Accident Testing: Charlotte County shall automatically require substance abuse testing for any employee involved in a job related accident that results in medical attention beyond basic first aid or property damage..."

Internal Audit found that for 16 employees or more than 43% of the 37 employees in the sample, the "Notification of Drug Test Result" forms needed to ascertain that the employee was tested after the accident were not provided. The Risk Management Division asserted that testing was not performed in these cases because the employees were taken to the emergency room. Further review of the "First Report of Injury or Illness form" (DCW-1) for these claims revealed that 7 of the 16 employees were in fact taken to a hospital, 1 of them visited the employee clinic a week after the accident, and for 8 employees we were not able to make a determination because the field on the DCW-1 form was blank.

We recommend the County ensure that practices align with Charlotte County Policy 3.24 by requiring that all employees involved in a job-related accident that results in medical attention beyond basic first aid or property damage are automatically subjected to substance abuse testing, regardless whether they were non-emergency injuries or injuries requiring emergency transport.

9. Forms were not consistently completed in the manner and time required by the County's Claims Procedure Manual.

There were 603 Workers' Compensation claims for the audit period of October 1, 2014 through July 31, 2019. Internal Audit used attribute sampling for selecting claims to verify for compliance with the applicable Statute sections. We first filtered out employees who received workers' compensation benefits, or indemnity payments (codes "COMPPTP and COMPPTD") and arrived at 61 employees. From this population of 61, we judgmentally selected 37 workers' compensation claims to verify compliance with our audit objectives. The 37 claims were made up of 22 workers who have been out more than 21 days and 15 workers who have been out less than 21 days. Total claim amounts varied from \$132.33 to \$58,546.33, with an average claim amount of \$4,800.79.

The Claims Procedure Manual indicates that "the employee must report all injuries to their supervisor within 24 hours of the accident" and provides the list of forms required to be completed by the employee and the supervisor/department.

The following are the results of the review of the documentation for the 37 judgmentally sampled claims:

- A. Workers' Compensation Sick/Vacation Election Forms
 1. 4 of the 37 sampled claims (11%) were not signed by the injured employee.
 2. 5 of the 37 sampled claims (14%) were not dated by the employee.
 3. 6 of the 37 sampled claims (16%) were missing the required supervisor signature.
 4. 5 of the 37 sampled claims (14%) were not available when payroll records were reviewed.

According to the payroll clerk, they were never provided to the Clerk of Court Payroll Division prior to the audit.

B. First Report of Injury or Illness Forms

1. 4 of the 37 sampled claims (11%) were neither signed nor dated by the injured employee.
2. 16 of the 37 sampled claims (43%) were neither signed nor dated by the employer.
3. 25 of the 37 sampled claims (68%) were missing required information besides employee and employer signatures and dates.

C. Supervisor's incident Investigation Forms

1. 100% of the forms provided did not have the "Review by" signature.
2. 3 of the 37 sampled claims (8%) forms were not provided.
3. 6 of the 34 provided (18%) were signed/filled out late by the employee 17, 3, 62, 5, 3, and 18 days after the accident.
4. 6 of the 34 provided (18%) were signed/filled out late by the supervisor 11, 3, 5, 3, 18, and 23 days after the accident.

We recommend Risk management increase controls to ensure forms are consistently completed in the manner and time required.

ACKNOWLEDGEMENTS

We would like to thank the Charlotte County Risk Management Division, Fiscal Services and Purchasing Divisions, and the Clerk Comptroller's Division for their assistance in completing this audit.

Audit completed by:

Orlando Solarte

Senior Internal Auditor

Charlotte County Clerk of Court and Comptroller



MEMORANDUM

Date: September 24, 2020

To: Dan Revallo, Internal Audit Director, Charlotte County Clerk of Courts and Comptroller

Cc: Gordon Burger, Director Budget and Administrative Services

From: Ray Carter ARM, Risk Manager, Charlotte County Risk Management Division

Subject: Responses to the Internal Audit review of the Workers' Compensation Program of the Risk Management Division in the Office of Budget and Administrative Services Department

Please find below the list of recommendations from your department, and the response from the Board.

1. **Recommend:** The Risk Management Division does not have the ability to review the TPA's underlying documentation to evaluate its performance and compliance with the contract's scope of service.

Response: While Risk Management agrees with this finding in part, we also believe that the Third-Party Administrator (TPA) for Claim Services does follow the letter and spirit of the current agreement in place. Also, we do believe that clearly defined expectations, including a right to audit the TPA's work, included in the scope of services, have been included in a new contract resulting from a Request for Proposal (RFP) recently completed. The new contract is expected to be in place on November 1, 2020.

2. **Recommend:** The County ensure benefit and medical payments can be verified to ensure repricing and payments are performed according to fee schedules and contracted rates

Response: Risk Management agrees with this recommendation, further we endeavor to provide the best medical care to all injured workers duly owed no more, or no less, to achieve this end, we depend on Providers, Insurers, Third

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Party Adjusting Services, Independent Bill review services, Risk Management Information Systems, internal staff and all County operational staff follow State, Federal and internal policies. Additionally, the new TPA contract includes the specific wording to ensure that the county has better ability to review all aspects of repricing, where appropriate, to include dissemination of fee schedules and/or contracted rates.

- 3. Recommend:** The County include a "Right to Audit" clause in the contract negotiations for Workers' Compensation Program services

Response: Risk Management agrees with this recommendation and has successfully worked with the Purchasing Division to have a 'Right to Audit' clause within the contract for 'Third Party Administration' services in the new contract beginning November 1, 2020.

- 4. Recommend** the County review payments made by the TPA to ensure they are appropriate.

Response: The County agrees with this recommendation and appreciates the assistance of Internal Audit in the recovery of \$3,952.33 resulting from this audit.

- 5. Recommend** the County seek competitive solicitation for its Workers' Compensation Program upon expiration of current contract.

Response: An RFP for Workers' Compensation TPA services has been completed and the resulting contract will be effective November 1, 2020.

- 6. Recommend:** The Risk Management Division update Standard Operating Procedures for Random Drug Testing, Workers' Compensation Claims, and others if appropriate.

Response: The Risk Management Division will update, where appropriate, various Standard Operating Procedures that relate to Workers' Compensation program in the coming year.

- 7. Recommend:** The Risk Management Division increase controls to verify the adjuster handling the claim places copies of documentation mailed or provided to employees in the file to support compliance with documentation requirements.

Response: Risk Management agrees with this finding, as the TPA could not provide the county copies of 4 of the informational packets mailed to the claimants out of the 37 claims sampled. In discussion with the TPA, they were quite certain they were mailed but the Adjuster handling the claim failed to place copies in the file. Since the County will be able to view documents contained within the TPA

claim system under the new contract we will be better able to monitor this measure of performance of the TPA.

8. **Recommend:** The County ensure that practices align with Charlotte County Policy 3.24 by requiring that all employees involved in a job-related accident that results in medical attention beyond basic first aid or property damage are automatically subjected to substance abuse testing, regardless whether they were non-emergency injuries or injuries requiring emergency transport.

Response: Risk Management does agree with this finding. It should be noted that the Bob Pryor Employee Health Clinic performs drug screens on all non-emergency employee injuries. However, the findings from the selected sample of claims included Emergency Transport, or injuries too severe to be treated at the Employee Health Clinic, or that occurred outside of Employee Clinic Hours which required immediate treatment, thus drug testing may not have been practical or possible. Risk Management will have discussions with Hospital Administration(s) and certain Urgent Care centers for testing capability. Lastly, Charlotte County continues to be recognized by the State and qualifies for a Drug Free Workplace Credit on our Annual (Quarterly) Workers' Compensation Assessment Billing and for Premium rating on WC excess insurance coverage.

9. **Recommend:** Risk management increase controls to ensure forms are consistently completed in the manner and time required.

Response: Generally, Risk Management does agree with this recommendation as presented, based upon the actual forms reviewed. Three forms were examined for the 37 complex claims examined out of the 603 claims for the Audit period. Workers' Compensation Claims Management has been transitioning away from paper forms where ever practical for many years by using email and software systems. Risk Management will be streamlining these forms to better align with current technologies while still preserving facts of the claim(s).

Workers' Compensation Sick/Vacation Election Form; This form will be updated to better reflect current elections, including electronic verification abilities for the worker to choose. One item of note, the finding that the form was signed '...days after the incident' being compared to '...within 24 hours of the accident' as stated in the Risk Management Claims Procedure Manual is not particularly relevant, other than to say the 24 hours is to strongly encourage rapid reporting. Recall, Risk Management does still have a duty by Law to accept any late reported claim and determine its compensability, or lack thereof, so this measure has no merit, or shortfalls of the policy or form.

First Report of Injury or Illness Forms; This form will be revised to better align with current technologies as referenced earlier.

Supervisor's Incident Investigation Forms; It is anticipated that this form, or rather function, will be entirely made electronic moving forward as much of the investigation(s), subsequent Loss Control activities and/or response from the incident are captured entirely by means other than on the 'form'. Lastly, all incidents are investigated by Risk Management Staff, Operational Staff and by our TPA.

Risk Management would like to recognize the work, and professionalism, of the Internal Audit Division relating to this Audit. Many items discussed have been implemented, or are in the process of being implemented, which collectively we believe will strengthen the Workers' Compensation program. The diversity of County Operations provides many unique challenges, and exposures, for our employees in their daily work. Risk Management takes tremendous pride in the deliverance of a Risk Management program which responds to these exposures through our Safety and Loss Control efforts including; Orientations, Trainings, safety meetings, and Communications. We look forward to continuing new initiatives for the betterment of the program, the safety of our employees, and for continuing the exceptional care provided to those who are injured on the job.

